

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 244092

ORIGIN EA-12

INFO OCT-01 ISO-00 ONY-00 /013 R

DRAFTED BY EA/ P:STAFF:SJP

APPROVED BY EA/EP:WRWARNE

DESIRED DISTRIBUTION

EA ONLY

-----049009 120451Z /16

R 120102Z OCT 77

FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

LIMITED OFFICIAL USE STATE 244092

STADIS////////////////////////////////////

NO DISTRIBUTION OUTSIDE EA; PASS USADB FOR AMBASSADOR ONLY

E.O. 11652: N/A

TAGS: EGEN, ECON, XC, XE, XP

SUBJECT: OFFICE OF ECONOMIC POLICY WEEKLY STATUS REPORT  
OCTOBER 11, 1977

### 1. COLOMBO PLAN (LIMITED OFFICIAL USE)

THE ACTING SECRETARY AGREED THAT THE U.S. SHOULD HOST THE  
1978 COLOMBO PLAN CONSULTATIVE COMMITTEE MEETING IN  
WASHINGTON AS PART OF THE NORMAL ROTATION AMONG MEMBERS.  
ONCE OUR OBLIGATIONS TO HOST A MEETING ARE FULFILLED,  
THE U.S. WOULD REVIEW WHETHER CONTINUED PARTICIPATION IS  
IN OUR INTEREST. THE U.S. DOES NOT PLAN TO ANNOUNCE  
PUBLICLY ITS INTENTION TO HOST THE MEETING UNTIL THIS  
YEAR'S MEETING IN KATHMANDU, BUT WE PLAN TO INFORM THE CP  
DIRECTOR OF OUR PLANS AT THIS TIME.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 244092

### 2. INTERNATIONAL ENERGY AGENCY MINISTERIAL (UNCLASSIFIED)

THE IEA HELD ITS SECOND MINISTERIAL MEETING OCTOBER 5-6 IN  
PARIS. SECRETARY OF ENERGY SCHLESINGER AND UNDER SECRETARY  
COOPER ATTENDED FOR THE U.S. THE MINISTERS ADOPTED THE  
FOLLOWING:

---1) A REDUCED DEPENDENCE PACKAGE FOR IEA OIL IMPORT

TARGET IN 1985 OF NOT MORE THAN 26 MILLION BARRELS PER DAY;

---2) TWELVE PRINCIPLES FOR ENERGY POLICY, WHICH FOCUS PRIMARILY ON CONSERVATION MEASURES;

---3) AND A STRENGTHENED REVIEW PROCEDURE DESIGNED TO MONITOR PROGRESS TOWARD THE 1985 TARGET. WITH REGARD TO THE 12 PRINCIPLES, CERTAIN COUNTRIES, INCLUDING NEW ZEALAND, INDICATED INABILITY TO COMMIT THEMSELVES TO PRINCIPLE CALLING FOR A STEADY EXPANSION OF NUCLEAR POWER. DURING PRESENTATION OF GENERAL STATEMENTS, HOWEVER, REPRESENTATIVES OF JAPAN, ALONG WITH THE EC, SWITZERLAND, SPAIN AND AUSTRIA, POINTED TO NUCLEAR POWER AS AN INDISPENSABLE ELEMENT IN REDUCING OIL IMPORT DEPENDENCY.

3. UNCTAD SUGAR CONFERENCE: SUCCESS (LIMITED OFFICIAL USE

AFTER SEVERAL NEAR DISASTERS, AGREEMENT HAS BEEN REACHED ON A NEW INTERNATIONAL SUGAR AGREEMENT. ALL THAT IS LEFT IS FOR THE DRAFTING COMMITTEE TO WRITE THE FINAL TEXT. WE OBTAINED MOST OF OUR OBJECTIVES AND BELIEVE THAT THE AGREEMENT IS TECHNICALLY SOUND AND LIKELY TO BE PRICE EFFECTIVE. HOWEVER, THE AGREEMENT IS NOT LIKELY TO RAISE IMMEDIATELY THE U.S. DOMESTIC PRICE OF SUGAR TO 13.5 CENTS PER POUND. CONSEQUENTLY THE TARIFF ON SUGAR WILL

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 244092

LIKELY BE INCREASED. WHEN THE ISA RESULTS IN A 13.5 CENT DOMESTIC PRICE, THE TARIFF MAY BE REDUCED OR ELIMINATED.

4. GSP REQUESTS (LIMITED OFFICIAL USE)

THE GSP SUBCOMMITTEE OF THE TRADE POLICY STAFF COMMITTEE (TPSC) HAS REVIEWED THE PHILIPPINE REQUEST FOR THE ADDITION OF ITEMS TO GSP. DESPITE THE INADEQUACY OF THE INFORMATION PROVIDED, THE COMMITTEE AGREED TO CONSIDER SOME OF THE ITEMS REQUESTED PROVIDED THAT THE GOP PROVIDES ADDITIONAL INFORMATION BY NOVEMBER 1. THE GOP IS THE ONLY COUNTRY BEING GIVEN ADDITIONAL TIME. SINGAPORE WAS THE ONLY OTHER EA COUNTRY THAT SUBMITTED A REQUEST. ALL REQUESTED ITEMS WERE ACCEPTED FOR CONSIDERATION EXCEPT THOSE EXCLUDED BY LAW OR RECENTLY CONSIDERED BY THE TPSC.

5. ASEAN TRADE AND TOURISM COMMITTEE (L-O-U)

ASEAN COMMITTEE ON TRADE AND TOURISM MET IN SINGAPORE, SEPT. 28 - OCT. 1 TO DISCUSS ASEAN PREFERENTIAL TRADING ARRANGEMENTS. TARIFF PREFERENCES ON FIRST 71 PRODUCTS WILL GO INTO EFFECT EARLY NEXT YEAR. THE COMMITTEE AGAIN

CONFIRMED THAT EACH COUNTRY SHOULD MAKE OFFERS ON 50  
ADDITIONAL PRODUCTS. TARIFF REDUCTIONS ON THESE PRODUCTS  
FOR INTRA-ASEAN TRADE WILL BE ABOUT 10 PERCENT.

INDONESIA WAS MORE FORTHCOMING TOWARDS BROADENING SUCH  
ARRANGEMENTS THAN IN THE PAST, LEAVING MALAYSIA AS THE  
LEAST ENTHUSIASTIC PARTNER.

6. U.S.-JAPAN TRADE FACILITATION COMMITTEE (UNCLASSIFIED)

ERLAND HEGINBOTHAM MET OCTOBER 7 WITH STAN KATZ OF  
COMMERCE TO START A WORK PROGRAM FOR THE TRADE FACILITA-  
TION COMMITTEE (TFC), ANNOUNCED BY SECRETARY KREPS DURING  
HER VISIT TO TOKYO. COMMERCE PREFERS TO KEEP THE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 244092

WASHINGTON SUPPORT GROUP SMALL AND INFORMAL. COMMERCE  
IS PREPARING A SCOPE PAPER TO SET FORTH THE MAJOR TASKS  
OF THE TFC AND IS DRAWING UP A STRATEGY FOR ENLISTING  
COOPERATION OF THE U.S. BUSINESS COMMUNITY. WE ARE

PREPARING WORK PROGRAMS ON RESEARCH OF TRADE AND INVEST-  
MENT BARRIERS AND ON NEW APPROACHES TO MARKETING IN  
JAPAN. COMMERCE WILL PROPOSE TO THE JAPANESE EMBASSY  
THAT THE FIRST WASHINGTON SUPPORT GROUP MEETING OF THE  
TFC BE HELD IN THE FIRST WEEK OF NOVEMBER.

7. U.S.-JAPAN JOINT ECONOMIC PROJECTION STUDY GROUP  
(LIMITED OFFICIAL USE)

AS AGREED AT THE RECENT U.S. JAPAN SUBCABINET TALKS, A  
JOINT ECONOMIC PROJECTION STUDY GROUP HAS BEEN ESTABLISH-  
ED. WE PROPOSED TO THE GOJ THAT THE FIRST MEETING BE  
HELD AT THE OECD INCONJUNCTION WITH SHORT-TERM FORECAST-  
ERS MEETING DURING THE WEEK OF NOVEMBER 14. PURPOSE OF  
MEETING WOULD BE TO EXCHANGE VIEWS OF EACH COUNTRY'S  
ECONOMIC PROJECTIONS SO AS TO DEVELOP A BETTER  
APPRECIATION OF THE OTHERS METHODOLOGY, KEY VARIABLES  
AND CONCLUSIONS. THE JAPANESE HAVE TENTATIVELY AGREED  
TO TIMING AND VENUE BUT ARE STILL CONSIDERING PROPOSED  
AGENDA. THIS GROUP WILL OPERATE ON A TECHNICAL LEVEL;  
POLICY DISCUSSIONS WILL BE TAKEN UP IN THE SUBCABINET  
TALKS.

8. SENATE FOREIGN RELATIONS SUBCOMMITTEE ON FOREIGN  
ECONOMIC POLICY HEARINGS ON THE IMF'S, WITTEVEEN FACILITY  
(LIMITED OFFICIAL USE)

THE CHURCH SUBCOMMITTEE IS IN THE PROCESS OF CONCLUDING  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 STATE 244092

ITS HEARINGS ON THE WITTEVEEN FACILITY OF THE IMF. AS OF OCT. 11, UNDER SECRETARY COOPER, DEPUTY ASSISTANT SECRETARY HEGINBOTHAM AND DEPUTY ASSISTANT SECRETARY BOEKER HAVE ALL APPEARED BEFORE THE SUBCOMMITTEE. ERLAND HEGINBOTHAM TESTIFIED ON OCTOBER 6, ON THE CASE

NOT ON THE CURRENT INDONESIA SITUATION.

SENATORS AND STAFF MEMBERS EXPRESSED CONCERN ABOUT POSSIBILITY OF OPEC CONTINUING TO RAISE PRICES AND HARMFUL IMPACT THIS COULD HAVE. SUBCOMMITTEE MEMBERS SUPPORT U.S. PARTICIPATION IN THE WITTEVEEN FACILITY, BUT EXPRESS DOUBT AS TO SUFFICIENCY, GIVEN MAGNITUDE OF GLOBAL EXTERNAL DEBT AND OPEC SURPLUSES. DEPARTMENTAL WITNESSES UNDERLINED THAT THE WITTEVEEN FACILITY WOULD HELP PROVIDE THE INTERNATIONAL CONFIDENCE THAT WAS NECESSARY FOR ADEQUATE FUNCTIONING OF PRIVATE MARKETS. THE SUBCOMMITTEE EXPRESSED UNEASINESS OVER THE WAY SOME PRIVATE COMMERCIAL BANKS WERE ABLE TO LOAN FUNDS TO LDCS WITHOUT REGARD TO IMF CONDITIONALITY OR ADEQUATE ATTENTION TO REPAYMENT POSSIBILITIES.

9. XCSS MEETING DISCUSSES NORTH/SOUTH DIALOGUE (LIMITED OFFICIAL USE)

THE FIRST POST-CIEC OECD XCSS (EXECUTIVE COMMITTEE IN SPECIAL SESSION) MEETING FOCUSED ON AN OVERVIEW MECHANISM FOR THE NORTH/SOUTH DIALOGUE AND A JOINT POSITION FOR THE NOVEMBER COMMON FUND NEGOTIATIONS. A BROAD CONSENSUS DEVELOPED THAT THE UNGA WAS THE MOST LIKELY BODY TO OPERATE AS THE OVERVIEW BECAUSE OF G-77 ATTITUDES. OECD COUNTRIES AGREED TO LIMITING THE OVERVIEW ROLE SO AS NOT TO COMPLICATE THE WORK IN FUNCTIONAL BODIES. SEVERAL FAVORED ASKING ECOSOC TO ACCEPT THIS FUNCTION, BUT THE MEETING REACHED NO AGREEMENT ON THIS POINT. RE THE COMMON FUND, THE NORDICS AND THE DUTCH CONTINUE TO

LIMITED OFFICIAL USE

PAGE 06 STATE 244092

TAKE THE POSITION THAT THE OECD COUNTRIES POSITION WOULD HAVE TO BE MORE FORTHCOMING THAN CURRENTLY PROPOSED. VANCE

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC REPORTS, ECONOMIC PROGRAMS, PROGRESS REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 12-Oct-1977 12:00:00 am  
**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE244092  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** STAFF:SJP  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770371-0248  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:**  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19771069/aaaacgyp.tel  
**Line Count:** 220  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 0a298c31-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** STADIS, ONLY  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** STADIS  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** STADIS, ONLY  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 24-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 949137  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OFFICE OF ECONOMIC POLICY WEEKLY STATUS REPORT OCTOBER 11, 1977  
**TAGS:** EGEN, ECON, XC, XE, XP  
**To:** EA POSTS  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/0a298c31-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009